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Canada

MARKET ACCESS SECRETARIAT
Global Analysis Report

Inside The Gulf Cooperation Council

Pulses and Special Crops Trade

May 2016

TRADE SUMMARY

The Gulf Cooperation Council (GCC) states of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates are home to a young, predominantly muslim. This population is growing in size and expected to reach over 50 million by the year 2020. According to Euromonitor International, Saudi Arabia (26.5 million) and the United Arab Emirates (8.2 million) are the two largest populations in the region,both with large expatriate populations open to global food trends and used to traditional retail formats for their grocery needs.

Canada is currently the largest exporter of pulses to the world with exports reaching C$3.5 billion in 2014, a 14% increase from 2013. Canada is by far the largest supplier of pulses and special crops to the GCC , recording a 48.9% market share in 2014 or C$193.9 million in exports. Canada's closest competition in 2014 came from China (17.2%), Australia (10.6%), India (6.9%) and United States (5.2%). In 2014, lentils represented 78.7% of all of Canada's pulse exports to the region with dried peas (16.6%) and kidney beans (1.9%) rounding out the top three products.

The UAE is Canada's largest GCC agri-food and food products export partner representing 93.1% of all GCC exports in 2014. Saudi Arabia is the only other substantial export destination with 6.1% of the market, while the other GCC partners purchase less than 1% of Canadian's pulses.

CONTENTS

Trade Summary 1

Canadian Performance 2

Competitive Landscape
Top Ten Pulse Suppliers
to the GCC, 2014 3

By the Numbers 4

Canada's Pulse Export Performance
in the GCC 4

Opportunities 5

For More Information 6

Resources 6

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CANADA'S PERFORMANCE

In 2014, Canada exported over C$3.5 billion of pulses and special crops to the world, 16.7% of which went to the GCC region.

Canada's top 5 markets are India with 25.4% , China with 9.1%, the United States with 9.0%, Turkey with 8.3%, and Bangladesh with 7.1% of total exports. The GCC was Canada's sixth-leading export market just behind Bangladesh with C$193 million in 2014.

Most of Canada's pulse exports to the GCC were made up of lentils, with C$152.7 million of sales value, representing 78.7% of all pulses exported to the region in 2014. As a global market for lentils, the GCC ranked third in Canada's top markets, with roughly 10.4% of Canada's lentil exports to the world. behind India (27.8%) and Turkey (18.3%) that same year.

Canada's second-largest pulse export to the GCC was dried peas with a value of C$32.1 million in 2014, an increase of 63.4% from 2013. The GCC is Canada's sixth-largest market for dried peas behind India (C$475.6 million), China (C$303.7 million), Bangladesh (C$211.7 million), the United States (C$90.5 million), and Cuba (C$40.0 million).

The GCC is also a large destination market for Canadian kidney beans, receiving exports valued at C$3.6 million in 2014. Kidney beans are Canada's fourth-largest pulse variety, representing 4.4% of all pulses exported to the world in 2014. The GCC was Canada's fifth-leading market led by the UK (41.1%), the US (13.3%), Italy (11.6%), and Turkey (6.2%). The GCC purchased roughly 2.3% of all kidney beans Canada exported in 2014.

COMPETITIVE LANDSCAPE

Top 10 Countries Supplying Pulse and Special Crops Products to the GCC ($C)

Annual Series: 2010 - 2014							
Reporting Country	Canada Dollars					%Market Share in 2014	% CAGR 2010-14
	2010	2011	2012	2013	2014		
Total	317,350,160	370,005,961	244,716,383	375,292,856	397,046,571	100	5.8
Canada	104,595,200	121,958,479	42,747,815	134,001,258	193,991,939	48.9	16.7
China	76,827,690	57,128,781	42,639,874	88,584,069	68,342,772	17.2	-2.9
Australia	32,268,517	52,429,595	69,878,554	53,895,795	42,111,947	10.6	6.9
India	28,204,893	31,509,066	30,541,261	33,964,885	27,292,045	6.9	-0.8
United States	14,161,631	10,781,969	5,513,080	21,232,663	20,567,058	5.2	9.8
Turkey	30,579,056	34,699,386	18,358,339	16,027,871	15,307,604	3.9	-15.9
Argentina	11,726,067	9,315,122	18,157,576	19,478,081	10,179,336	2.6	-3.5
Mexico	1,453,700	268,497	9,498,815	3,045,314	9,674,338	2.4	60.6
Ukraine	258,149	1,104,912	701,788	233,205	2,119,164	0.5	69.3
Sri Lanka	9,987,202	3,647,552	671,485	724,920	1,786,974	0.5	-35.0

Source: *Global Trade Atlas, 2015*

Top 10 Countries Supplying Pulse and Special Crops Products to the GCC and Top Three Products ($C)

Country	Product	Value C$ millions
Canada	Dried lentils	152.7
	Dried peas	32.1
	Kidney beans	3.1
China	Sunflower seeds	54.1
	Kidney beans	14.1
	Buckwheat	0.04
Australia	Chickpeas	30.9
	Dried lentils	10.7
	Mungo beans	0.3
India	Chickpeas	26.2
	Mustard seeds	0.7
	Dried lentils	0.08
United States	Sunflower seeds	9.5
	Dried lentils	4.7
	Dried peas	2.7
Turkey	Dried lentils	11.1
	Chickpeas	3.2
	Dried peas	0.3
Argentina	Sunflower seeds	7.1
	Kidney beans	1.7
	Dried peas	0.8
Mexico	Chickpeas	9.6
	Kidney beans	0.03
	-	-
Ukraine	Dried peas	1.5
	Chickpeas	0.5
	Canaryseed	0.01
Sri Lanka	Dried lentils	1.3
	Chickpeas	0.4
	Mustard seeds	0.001

Source: *Global Trade Atlas, 2015*

BY THE NUMBERS

GCC, Top 10 Pulse and Special Crops Product Imports from the World, 2014 (C$ millions)

HS Code	Products	Total Imports from World	Top supplier
071340	Dried lentils	181,322,153	Canada
071320	Chickpeas	74,868,764	Australia
120600	Sunflower seeds	74,832,564	China
071310	Dried peas	37,917,017	Canada
071333	Kidney beans	22,516,511	China
100830	Canaryseed	2,113,000	Canada
071339	Dried beans	1,372,123	US
071331	Mungo beans	946,333	Australia
120750	Mustard seeds	855,479	India
071332	Adzuki beans	151,632	Columbia

Source: *Global Trade Atlas, 2015*

CANADIAN PULSE EXPORT PERFORMANCE IN THE GCC

Canada's Pulse and Special Crops Exports to the GCC Countries by Value C$- 2010-2014

Country	2010	2011	2012	2013	2014
United Arab Emirates	91,263,433	112,065,455	34,001,431	124,506,011	180,588,668
Saudi Arabia	11,282,672	8,053,683	7,485,277	8,011,953	11,925,040
Kuwait	633,036	676,303	414,410	1,113,087	1,316,442
Bahrain	398,165	226,862	110,531	82,591	100,693
Oman	130,641	154,030	233,742	144,333	61,096
Qatar	887,253	782,146	502,424	143,283	-
Total	104,595,200	121,958,479	42,747,815	134,001,258	193,991,939

Source: *Global Trade Atlas, 2015*

Canada's Pulse and Special Crops Exports to the GCC - 2010-2014

Description	Canada Dollars					% Share of Export	% CAGR 2010-14
	2010	2011	2012	2013	2014		
Total Pulses and Special Crops	104,595,200	121,958,479	42,747,815	134,001,258	193,991,939	100	16.7
Dried lentils	82,191,381	97,531,053	28,721,478	104,846,055	152,713,348	78.7	16.8
Dried peas	9,594,507	16,424,779	9,558,486	19,647,391	32,111,361	16.6	35.3
Kidney beans	774,829	341,762	261,953	1,473,310	3,670,410	1.9	47.5
Sunflower seeds	5,869,475	1,821,245	392,326	2,640,233	2,670,617	1.4	-17.9
Canary Seeds	1,009,401	1,267,190	610,865	908,395	1,834,809	0.9	16.1
Dried beans	973,243	63,200	-	80,221	598,605	0.3	-11.4
Chickpeas	4,154,043	4,365,562	3,202,707	4,405,653	388,667	0.2	-44.7
Adzuki beans	-	-	-	-	4,122	0.0	-
Mustard seeds	28,321	143,688	-	-	-	0.0	-100.0

Source: *Global Trade Atlas, 2014*

Canadian Exports of Pulses and Special Crops to the GCC - by Province 2010-2014

Province	Canada Dollars					% CAGR 2010-14
	2010	2011	2012	2013	2014	
All Provinces	104,595,200	121,958,479	42,747,815	134,001,258	193,991,939	16.7
Saskatchewan	94,705,697	116,410,005	35,889,419	128,375,966	185,806,211	18.4
Alberta	2,099,154	145,804	4,026,550	245,637	4,122,111	18.4
Manitoba	6,285,203	3,290,482	2,005,046	3,251,025	3,029,725	-16.7
Ontario	1,090,676	189,017	826,800	1,819,234	902,865	-4.6
Quebec	234,636	392,928	-	24,698	131,027	-13.6
British Columbia	179,834	1,530,243	-	284,698	-	-100.0

Source: *Global Trade Atlas, 2014*

OPPORTUNITIES

According to Euromonitor, the rising number of construction projects across the United Arab Emirates, in preparation for the Expo 2020 in Dubai, is bringing an influx of foreign workers into the country. This, in turn, is pushing demand for pulses, due to their wide availability, affordable prices, and regular inclusion in the majority of workers diets. Rising health awareness was another trend that continued in 2014, which had a positive impact on sales of pulses, as these are marketed as a healthy source of protein and are very versatile.

Furthermore, the GCC region saw a fast-developing hospitality and grocery retail industry as a whole, which offers real opportunities for Canadian exporters. The hospitality sector, and in particular the ethnic restaurants, is experiencing growing demand for agricultural commodities and services. Canada's reputation as a producer of high quality agricultural products gives exporters a competitive advantage, particularly in pulse and special crops.

Major opportunities for growth in the GCC region for the pulse and special crops market include:

- Traditional products (bulk exports) such as lentils, chickpeas and beans, mainly for the expanding food processing segment;
- Processed pulse products that are mainly distributed through retail trading, but also through the hospitality industry (fast food outlets and hotels);
- Highly processed products, prepared foods, and convenience foods; and
- Pulses and special crops for animal feed.

In terms of consumer-ready pulse products, opportunities exist for the following products that are in demand in the GCC region:

- Bagged pulses, including whole and split;
- Ground pulses, such as pulse flours and specialty dough mixes (pappadums and rotis, for example);
- Whole processed pulses, including canned, micronized, and toasted formats;
- Products made with processed pulses such as dried soup mixes, packaged entrées, frozen entrées, snack mixes and canned items (soups, refried beans, curries, and chilies, for example);
- Fractionated pulses, such as starches and proteins; and
- Extruded pulses, used instead of pasta, and as meat substitutes.

FOR MORE INFORMATION

International Trade Commissioners can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions and local business contacts, and are an excellent point of contact for export advice.

- **Overview of Trade Commissioner Services in the United Arab Emirates**
  www.tradecommissioner.gc.ca/eng/offices-united-arab-emirates.jsp

- **Find a Trade Commissioner**
  www.tradecommissioner.gc.ca/eng/find-trade-contacts.jsp

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- ats-sea.agr.gc.ca

For information on Gulfood 2016 exhibition in Dubai, please contact:

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RESOURCES

CATSNET Analytics - 2015

Global Trade Atlas - 2015

Euromonitor – Pulses in the United Arab Emirates- 2015

Inside the Gulf Cooperation Council (GCC) Pulse and Special Crops Trade

Global Analysis Report

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